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November 3, 2015

**VIA ECF**

Honorable Valerie E. Caproni  
U.S. District Court for the Southern District of New York  
Thurgood Marshall United States Courthouse  
40 Foley Square, Room 240  
New York, NY 10007

Re: *In re: Commodity Exchange, Inc., Gold Futures and Options Trading Litig.*, 1:14-md-02548

Dear Judge Caproni:

On behalf of Plaintiffs, we write with an update as to regulatory and other developments that post-date the Second Consolidated Amended Complaint filed in the above-referenced matter:

- Defendant UBS AG, parent of defendant UBS Securities LLC, has secured immunity from criminal charges with respect to a Justice Department investigation into misconduct connected to trading in the precious metals markets.<sup>1</sup>
- The European Commission confirmed that it is investigating a number of trading entities with respect to “alleged anticompetitive behavior in precious-metals spot trading in the European Economic Area.”<sup>2</sup>

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<sup>1</sup> See, e.g., *United States v. UBS AG*, Plea Agreement, at ¶¶ 6-7 (D. Conn. May 20, 2015) (“In exchange for UBS’s guilty plea … the Criminal Division agrees that it will not file additional criminal charges against UBS [relating to] information disclosed by UBS . . . relating to precious metals trading markets[.]”), <http://www.justice.gov/file/440521/download>.

<sup>2</sup> F. Yun Chee, *EU Antitrust Regulators Investigate Precious Metals Trading* (Aug. 25, 2015), <http://uk.reuters.com/article/2015/08/25/uk-eu-metals-antitrust-idUKKCN0QU1NW20150825>.

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- The U.K. Financial Conduct Authority released the results of a review of a number of (unidentified) banks, brokers, interdealer brokers, and trading firms' market abuse controls. It concluded that "awareness of market abuse risk was poor," and there was an "unwillingness to consider how recent market manipulation cases such as those in [the] Gold fix could relate to the markets they traded."<sup>3</sup>
- The Swiss competition regulator, WEKO, announced that it had found "indications that possible prohibited competitive agreements in the trading of precious metals were agreed among [UBS, Julius Baer, Deutsche Bank, HSBC, Barclays, Morgan Stanley and Mitsui]."  
As a result, it commenced further investigations into "possible collusion in the precious metals market by several major banks."<sup>4</sup>

Should the Court so desire, we will be prepared to discuss these developments at the requested oral argument on Defendants' pending motions to dismiss, or at any other conference, as and if requested by the Court.

Respectfully submitted,

*Daniel Brockett*

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cc: All Counsel of Record (via ECF)

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<sup>3</sup> See Financial Conduct Authority, *Commodities Trading Thematic (CT) Review* (Sept. 2015), <https://www.fca.org.uk/static/documents/newsletters/market-watch-49.pdf>.

<sup>4</sup> See, e.g., J. Franklin & J. Harvey, *Swiss Watchdog Open Bank Probe Into Precious Metal Collusion* (Sept. 29, 2015), <http://www.reuters.com/article/2015/09/29/us-precious-manipulation-swiss-idUSKCN0RS0DX20150929>.